

EMERGENCY REPAIR PROGRAM

Guidelines

Purpose

The purpose of the Emergency Repair Program is to remove conditions that constitute an imminent threat to the health and/or safety of the residents of substandard housing structures. It is not the intent of this program to rehabilitate structures to the City's Minimum Housing Code. The Emergency Repair Program provides both forgivable loans and low-interest deferred loans dependent on household income.

Eligibility

In order to receive assistance under this program, each of the following requirements must be met:

- (1). The recipient must be an owner occupant of a one-family residential structure within the City limits of Greensboro.
- (2). The property has been inspected by the lead grant program staff or their designated representative and classified as having conditions that present an imminent threat to health and/or safety as defined in Appendix A.

For the duration of the City's participation in the Lead Safe Housing Program the following requirements must be met:

- (3). The residential structure has been tested by a state certified lead inspection firm and determined to have lead paint hazards.
- (4). The household must have a child under the age of 6 that meets the EPA or HUD definition of child occupation. This rule may be waived as determined by lead grant program staff in accordance with lead grant program guidelines.

Eligible Costs

Eligible costs are those costs directly related to the correction or abatement of housing conditions that constitute an imminent threat to the health and safety of the occupant are eligible for assistance under this program. If estimated costs to correct health or safety hazards exceed \$5,000, the Rehabilitation Team may waive the forgivable loan or low-interest deferred loan limit under extenuating circumstances, notifying the Loan Committee of their intent to exceed the \$5,000 assistance limit.

Forgivable Loan Terms

The terms and limitations of the forgivable loan are:

- (1). The residential structure will be eligible for only one Emergency Repair forgivable loan over the life of the structure.
- (2). The maximum income ceiling for qualification under the Emergency Repair forgivable loan shall not exceed 50 percent of the median income, adjusted for family sizes and persons, as defined and provided to the City from time to time by the Department of Housing and Urban Development. HUD defines this as “very low income”.
- (3). The Emergency Repair forgivable loan is limited to the actual cost of repairs not to exceed \$5,000.00.
- (4). The Emergency Repair forgivable loan will not be repayable and will not constitute any claim upon the owner of the property, except as follows:

The actual forgivable loan amount shall become repayable if within three years after receipt of the grant any of the following circumstances occur:

- (a). Sales: The property is sold
 - (b). Change of Status: The Owner’s status changes from that of owner-occupant.
 - (c). Transfer of the property, excluding the death of the sole owner or all owners in entirety.
- (5). The Emergency Repair forgivable loan shall be obligated by a deed of trust for three years, after which time the deed of trust shall be canceled if all other terms of the forgivable loan have been met.

Emergency Repair Deferred Loan Terms

The terms and limitations of the Emergency Repair Deferred Loan are:

- (1). The residential structure will be eligible for only one Emergency Repair deferred loan over the life of the structure.
- (2). The maximum income ceiling for qualification under the Emergency Repair deferred loan program shall not exceed 80 percent of the median income, adjusted for family sizes and persons, as defined and provided to the City, from time to time by the Department of Housing and Urban Development. These income ceilings are set by HUD to define “low and moderate income families and persons.”

- (3). Emergency Repair deferred loans will be made at a 3% interest rate for life of the owner and shall be obligated by a deed of trust.
- (4). The maximum amount of an Emergency Repair deferred loan shall be \$5,000.00.
- (5). In the event the owner's status changes from that of owner-occupant, or the property is transferred or sold, or at the owners death, the outstanding balance of the mortgage shall be immediately due and paid in full. Loans may not be assumed, except that in the event of the death of the applicant sole owner or all owners in entirety, heirs or devisees may assume the existing terms of a loan. This assumption may occur when an heir or devisee occupies the residence as his/her principal residence and pays any loan assumption fees, and is subject to the same recapture provisions for owner-occupancy, transfer, or sale as described above. Under extenuating circumstances of personal hardship, the Loan Committee may extend the recapture period for particular cases.

Total Loan/Grant Assistance Limitation

If an eligible person later applies and qualifies for other forms of CD rehabilitation assistance on a structure that has received an Emergency Repair forgivable loan or deferred loan, the total forgivable loan and deferred loan amount shall be subtracted from any other rehabilitation grant and loan assistance for which the person may be eligible.

Rehabilitation Program

If a lead program and emergency repair program participant wishes to have additional work done to their residential structure after lead-hazard remediation and emergency repair work is completed, they may request to be put on the Rehabilitation Program list to be processed. Once on the Rehabilitation Program list, eligibility will be determined through the Rehabilitation Program application process. As mentioned above, the total Emergency Repair grant or deferred loan amount shall be subtracted from any rehabilitation assistance for which the person may be eligible.

Appendix A

Conditions which constitute an imminent threat to the health and/or safety of residents include, but shall not be limited to the following:

- (1). The repair or replacement of an electrical system that has been determined to be a serious fire hazard or an electrical shock hazard.
- (2). The repair of a heating system or space heater, or replacement of a heating system or space heater that is not repairable and has been determined to be a hazard or will not operate.
- (3). Correction of roof leak including, flashing, damaged sheathing, rafters, areas of deteriorated roofing, or replacement of entire roof system as determined by the rehabilitation specialist. Repairs will be made to existing systems if determined feasible.
- (4). The replacement of dilapidated steps, landings and/or porches, and handrails/guardrails, if condition significantly increases possibility of injury or eliminates a means of egress.
- (5). The replacement of sewer line under structure or from house to street if waste is being emitted creating a health hazard, or water lines that are leaking or badly corroding and the rehabilitation specialist determines that the condition could effect structural components, or health and safety of occupant.
- (6). The repair, replacement or additional support of a floor system that has been determined structurally deficient as determined by the rehabilitation specialist or other city inspectors. If the condition of the floor covering is such that an eminent safety hazard exists, the rehabilitation specialist may recommend repair, or replacement.
- (7). Repair or replacement of foundation wall or crawl space piers when condition renders structure unsafe.
- (8). Handicap accessibility items as determined eligible under Housing Rehabilitation and Housing Repair Program guidelines, Part IV, pages 18-19, Items 1-4. If structure requires additional rehabilitation, the accessibility issues must be met under Housing Rehabilitation Program.
- (10). Surface water that infiltrates the envelope of the home and could effect the structural integrity of the building or cause health and safety concerns for the occupants

- (11). Any condition as determined by rehab staff and applicable city inspections personnel which renders a structure and property conditions dangerous or injurious to the health or safety of the occupants
- (12). Any window or door condition that may constitute an imminent threat to health and safety of the occupant.

Conditions that do not constitute a threat to the health and/or safety of the occupants of a structure, but shall not be limited to:

- (1). Storm windows and doors.
- (2). Insulation, unless it can be shown that the lack of insulation would cause a threat to the health or safety of the occupant.
- (3). Interior and/or exterior painting.
- (4). Dripping plumbing fixtures.
- (5). Aluminum siding or vinyl siding.
- (6). Cracked window or door glass unless it causes a threat to the health or safety of the occupant.
- (7). Gutters and downspouts.
- (8). Replacement of furnaces that are repairable.
- (9). Air conditioning.
- (10). Soiled or deteriorated floor coverings.
- (11). Site improvements, unless a handicap accessibility item addressed in the guidelines, Part IV, pages 18-19, and items 1-4.
- (12). Any additional item that would be considered a cosmetic repair, or a repair that would no add to the structural integrity of the building or that is not addressing a health and/or safety hazard as determined by rehabilitation staff or city inspections personnel.